Interim Legislative Study Committee - Energy Efficiency

IUB Requirements and Oversight of Utilities' Energy Efficiency Efforts

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Assessment of Energy Efficiency Potential

- Customer and public interest
  Cost-effective EE benefits customers, utility and public generally
- OCA draws on internal and external expertise to guide recommendations
  Vermont Energy Investment Corporation recognized leader in EE
- Customer segments
  Allows focus on segments of interest
- EE measures & technologies
  Activities on the customers' side of meter which reduce customers' energy use or demand including, end-use efficiency improvements, load control or load management, thermal energy storage, or pricing strategies.
  Assessment identifies and evaluates measures and technologies; accounts for interactive effects of various EE measures and obstacles to adoption.
- EE impact & potential
  Consider climate, building stock and design, industries, existing efficiency levels, customer views and knowledge, appliance standards, building code requirements/compliance, load forecasts

OCA Analysis and Review of IOU EE Plan Proposals

- Comprehensive programs for customer classes
- Program design and implementation
- Performance objectives
- Budget - EE investment predominantly in direct incentives
- Promotion
- Coordination (trade allies, builders, leveraging opportunities . . .)

Goal: Market Transformation to Extent Possible

IUB Contested Case Process

OCA involvement early in the process helps to define and often resolve issues. Issues that cannot be resolved are addressed through expert witness testimony presented in contested case review of IOU EE plans.

Example: Performance Relative to Goal Interstate Power and Light Company

ENERGY SAVINGS AND SPENDING FOR IPL'S APPROVED ENERGY EFFICIENCY PLAN IN DOCKET NO. EEP-02-38

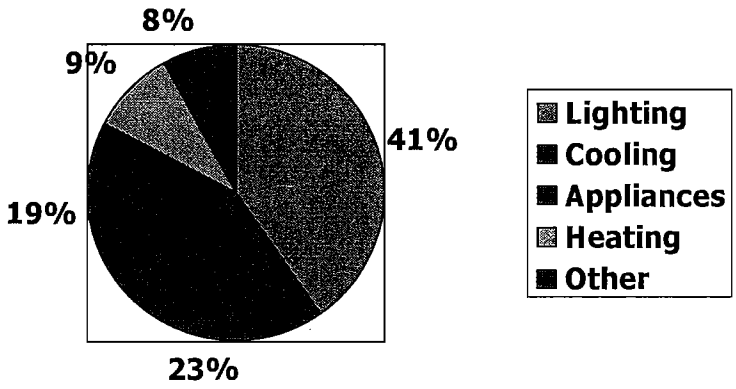
TABLE 1. ENERGY EFFICIENCY SAVINGS, IN KILOWATT-HOURS (KWH)					
LINE NO.	YEAR	SAVINGS		AMOUNT OVER GOAL	
		GOAL	ACTUAL	IN UNITS (KWH)	IN PERCENT (%)
1	2006	78,041,600	120,542,362	42,500,762	54%
2	2005	66,068,554	103,593,588	37,525,034	57%
3	2004	66,068,554	81,660,105	15,591,551	24%
4	2003	74,839,843	84,236,522	9,396,679	13%

TABLE 2. ENERGY EFFICIENCY SPENDING, IN DOLLARS ($)					
LINE NO.	YEAR	SPENDING		AMOUNT OVER BUDGET	
		BUDGET	ACTUAL	IN UNITS ($)	IN PERCENT (%)
1	2006	45,405,545	45,442,058	36,513	0%
2	2005	38,294,123	44,457,768	6,163,645	16%
3	2004	37,365,699	43,053,265	5,687,566	15%
4	2003	23,089,975	25,866,305	2,776,330	12%

SOURCE:
2006: Appendix A, Annual Report, filed May 1, 2007
2005: Appendix B, Annual Report, filed May 1, 2006
2004: Appendix B, Plan Modification, filed October 28, 2005
2003: Appendix B, Plan Modification, filed October 28, 2005
All filings in Docket No. EEP-02-38

Comprehensive Programs

Example: Residential Electric Economic Potential by End-Use – Quantec Draft Report presented at October 3, 2007 EE Stakeholder Meeting



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Review of IOU EE Plan Implementation (cont.)

- Implementation of IUB approved EE plans is continuous in nature and subject to investigation and/or modification at any time
  - Actual or anticipated plan spending variance from budget
  - Monitoring and evaluation indicates need to revise program/plan, which may include budget, energy savings goals, program design, and/or implementation
  - Changed circumstances
- Monitoring and evaluation – are IOU's achieving planned results?
- IUB periodic review to determine whether IOU is taking all reasonable actions to cost-effectively and prudently implement energy efficiency plan